

Kennecott Eagle Minerals
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October 18, 2010

Mr. Joe Maki
Michigan Department of Natural Resources and Environment
420 5th Street
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Subject: **Request for Amendment to Mine Plan, Nonferrous Metallic Mineral Mining Permit MP012007, Kennecott Eagle Minerals Company**

Dear Mr. Maki:

As you know, Kennecott Eagle Minerals Company (KEMC) continually evaluates its mine plan for the Eagle Project to ensure optimal safety during construction and operations, and to reduce the overall environmental footprint at the project site to the greatest extent possible. In this connection, the MDNRE approved the relocation of several facilities in August that will result in safer operation and improved environmental control of surface activities. This amendment request addresses some additional ancillary facilities that must be relocated.

Specifically, KEMC is requesting an amendment per Mining Permit MP012007 to reflect changes in the mine plan that would relocate the following surface facilities (see attached site layout 050-GA-001):

1. Guardhouse
2. Power House
3. Two Non-Contact Water Infiltration Basin (NCWIB)

KEMC is also requesting an amendment to reflect a design modification of the three NCWIBs located within the main surface facility area.

The original location of the Guardhouse, east of the truck wash on the northern portion of the site access road (Figure 4-2 of the Mining Permit Application (MPA)), allows visitors unsecured access within the fence line up to the main surface facility area. Due in part to security issues arising over this past summer in connection with protests on and near the site, Kennecott has determined that a more robust security presence at the site perimeter is warranted. Therefore, to significantly improve safety within the project area, KEMC is requesting that the Guardhouse be located at the fence line on the access road near County Road Triple A.

The Power House, formerly referred to as the Generator Plant, is located on the north border of the rock outcrop (Figure 4-2 of the MPA). Kennecott will move the structure away from the rock outcrop area to a location west of NCWIB 2. (Please note that this is

not a request to extend power into the mining area. KEMC will request a separate amendment prior to that activity taking place.)

KEMC also plans to relocate two of the three NCWIBs within the main facility area. NCWIB 1, formerly identified as NCWIB 4 (Figure 4-2 of the MPA), will be relocated southeast of the original location. NCWIB 3, formerly identified as NCWIB 6, will be relocated from the southern side of County Road Triple A to within the mining area inside fence line. It is important to note that the capacities of the NCWIBs will not change as the calculated drainage areas do not necessitate an increase in volume. The relocation of NCWIB 3 decreases Eagle's environmental footprint by keeping all storm water runoff on site and eliminating two culverts proposed to convey storm water under County Road Triple A.

KEMC is also requesting a design modification of the three NCWIBs located within the main surface facility area. These basins are designed to capture storm water runoff from the non-contact areas, or areas that do not come into contact with the development rock and ore. Due to site grading, an improved design has been identified that is much more suitable for conditions. The original design included berms to increase the basin capacity, along with emergency outlets to ensure the integrity of the berms in the case of high water. However, the final surface grade allows for the basins to be installed flush with the surface elevation. Because the basins will be installed at grade and will retain the original design capacity, berms surrounding the basin are not necessary. This improvement eliminates the possibility of berm failures and the need for emergency outlets. Prior to operations, KEMC will meet with MDNRE staff to determine the needs and requirements associated with an industrial storm water permit.

In summary, the requested modifications will, in effect, decrease the overall environmental footprint of the main surface operation. As this process moves forward, we will continue to follow the established procedures within Rio Tinto and exercise a proactive approach toward improving our mine plan ensuring optimal environmental performance.

KEMC appreciates your time and consideration of this amendment request. If you have any questions, or need additional information, please do not hesitate to contact me.

Sincerely,



Kristen Mariuzza, P.E.
Environmental & Permitting Manager

cc: Dennis Donohue, WNJ
Tom Wellman, MDNRE
Dave Spalding, MDNRE
Milton Gere, MDNRE
Alicia Duex, KEMC

enclosure